

December 1, 1998

TO: Governor Gary Locke

FROM: Subcabinet on Management Improvement and Results

SUBJECT: 1998 REGULATORY IMPROVEMENT PROGRESS REPORT

This is the second annual progress report on the implementation and results of Executive Order 97-02, relating to regulatory improvement. The report is required by the executive order and is based on information submitted by agencies to the Office of the Governor.

Since the executive order became effective on March 25, 1997, state agencies continue to make excellent progress in reviewing, modifying, and repealing their rules, improving regulatory processes, engaging in extensive stakeholder efforts, using clear rule-writing techniques, and reviewing and eliminating policy and interpretive statements and business reporting requirements. As part of the Governor's departmental request review process, agencies have also submitted recommended legislation that results in regulatory improvements. The following summarizes the progress and accomplishments of agencies:

SUMMARY OF RULE REPEALS AND AMENDMENTS

State agencies, particularly those with regulatory authority, intensified their rule review activity during the second year of the executive order.

- **All agencies have now reviewed a total of 10,651 sections of the Washington Administrative Code (WAC), compared to 2,629 sections reviewed in October of 1997. This represents a threefold increase in rule review activity since that date.**
- **Repealed rule sections now total 3,614, compared to 1,935 rule repeals in 1997.**
- **Total pages eliminated from the WAC now total an estimated 972 pages, compared to 591 in 1997.**
- **The total number of sections amended increased to 2,746 in 1998 from 800 in 1997.**

Based on reports received from state agencies as of October 15, 1998, the following are cumulative totals (since EO 97-02 was issued on March 25, 1997) of the number of rule sections reviewed under the executive order, rules repealed, rules amended, and pages eliminated from the WAC for all state agencies, Executive Cabinet agencies, Small Agency Cabinet agencies, and non-cabinet agencies:

All State Agencies

Rule sections reviewed -	10,651
Rule sections repealed -	3,614
Rule sections amended -	2,746
WAC pages eliminated -	971.95

Cabinet Agencies

Rule sections reviewed -	8,795
Rule sections repealed -	3,242
Rule sections amended -	2,277
WAC pages eliminated -	898.95

Small Agency Cabinet

Rule sections reviewed -	362
Rule sections repealed -	28
Rule sections amended -	103
WAC pages eliminated -	14

Non-Cabinet Agencies

Rule sections reviewed -	1,494
Rule sections repealed -	344
Rule section amended -	366
WAC pages eliminated -	59

AGENCY RULE REVIEW HIGHLIGHTS

The following summarizes some of the more significant agency accomplishments in eliminating and modifying rules to conform with review criteria in the executive order:

- **Department of Social and Health Services (DSHS)** repealed 584 sections of WAC in 1998, which increased its two-year cumulative total of rules repealed to 859. The agency has now eliminated an estimated 240 pages of WAC. DSHS also achieved a dramatic regulatory simplification goal by replacing seven volumes of public assistance requirements with a new single “Eligibility A-Z Manual” – an 82 percent reduction in text and a net reduction of 226 rules.
- **Department of Labor and Industries (L&I)** is more than a year ahead of its scheduled four-year rule review plan. Since 1997, the agency has reviewed 2,101 rules, eliminated an estimated 235 pages of regulations, repealed 723 sections, and amended 828. An entire WAC chapter relating to mining operations was eliminated after it was determined that it duplicated federal mining regulations. Some 756 sections of L&I rules were rewritten using clear rule writing standards. L&I assumed a leadership role in promoting rule clarity and simplification, and has assisted other agencies in this effort through a master contract for clear rule writing. The department reviewed 106 policies and eliminated 39. Thirteen of the eliminated policies were converted into rules to ensure Administrative Procedure Act compliance. L&I has involved 1,286 individuals and organizations in its rule review effort.

- **Department of Health** has reviewed 773 WAC sections since March of 1997, and expects to complete another 222 sections by the end of this year. This places the department well ahead of its year-end goal of 683 sections. Thus far, the department has eliminated 52 pages of WAC and repealed 253 rule sections. The department reviewed 397 policy and interpretive statements and plans to repeal 26 of them by the end of this year. The agency also anticipates incorporating 40 policy and interpretive statements into rules, as required by the executive order. The Department has consolidated administrative requirements for 43 health professions into a single WAC chapter and repealed 69 occupation-specific rules.
- **Department of Ecology** reported that it has now reviewed 386 rule sections, repealed 79 sections, and eliminated 37 pages of WAC. Ecology has also rewritten three of its major regulatory chapters using plain English and an easy-to-use question and answer format.
- **Department of Employment Security** has reviewed 101 sections of WAC, nearly half of its regulations. Thirteen sections have been amended, 23 repealed, and three pages of WAC were eliminated. The agency has also simplified its regulatory processes by eliminating 277 pages of Job Service Center instructional memoranda, and is aggressively reviewing other agency policy statements and circulars with the goal of simplification and elimination.
- **Department of Agriculture** reviewed 488 of its rules, repealed 250, and eliminated 46 pages of WAC.
- **Department of Licensing** has reviewed 566 rules, amended 156, and repealed 133. The agency has eliminated nearly 15 pages of WAC and 27 policy statements.
- **Department of Natural Resources** has reviewed 53 sections of WAC and amended 37. In February of 1998, the Forest Practices Board used negotiated rule making and the expedited adoption process to adopt rules on the Columbia River Gorge National Scenic Area. These rules involved all stakeholders and resolved long-standing jurisdictional disputes in the area.
- **Department of Revenue** has already reviewed 40 percent of its rules – 213 out of 537 rule sections. Thus far, Revenue has repealed 57 regulations, amended 137, and eliminated five pages of WAC. It has also reviewed 123 interpretive documents. It anticipates repealing 70 of them and incorporating some of the policies into administrative rules.
- **Office of the Insurance Commissioner** has reviewed 785 WAC sections, repealed 45, and eliminated five pages of rules.
- **Department of Fish and Wildlife** reviewed 185 sections of rules, repealed 24, and eliminated six pages of WAC.
- **University of Washington** reviewed 132 rule sections, repealed 59, and eliminated 9 pages of WAC
- **Office of Financial Management** has reviewed all of its 148 sections of WAC, repealed 81 sections, and eliminated 17.5 pages of rules.

- **Other agencies** that reported substantial rule review activity included: **Department of Financial Institutions** (121 rules repealed), **Washington State Lottery** (232 rules repealed and 137 pages of WAC eliminated), **Washington State Patrol** (109 rules repealed), **Utilities and Transportation Commission** (50 rules repealed), **Department of Personnel** (344 sections reviewed), **Community and Technical College Board** (32 rules repealed), **County Road Administration Board** (52 rules repealed), and the **Higher Education Coordinating Board** (100 rules repealed).

REGULATORY PROCESS ACCOMPLISHMENTS

In addition to reviewing rules, EO 97-02 directs agencies to pursue overall improvements in regulatory processes, with the goal of streamlining and simplifying procedures for those who must comply with state regulations. Following are examples of some of these efforts:

- **Tax Return Filing Reform.** The **Department of Revenue** successfully pursued legislation that allowed more than 143,679 small businesses to be placed on an “active, non-reporting” status. This means that their income is below the taxable threshold and they no longer have to file tax returns when no tax is due. The department is proposing new legislation in 1999 to seek an even higher threshold. Revenue continues to implement its electronic filing project, which allows businesses to file tax returns directly through the Internet.
- **Reduced Contractor Registration Backlog.** The **Department of Labor and Industries** had a 27-day backlog of contractor registration renewals. By eliminating excessive sorting, creating quicker computer input, and centralizing incoming renewals, the backlog was reduced to 14 days. Ongoing efforts are underway to reduce the backlog even further.
- **Coordinated Facility/Site Information** has been moved from seven **Department of Ecology** systems to one – streamlining record management, reducing redundancy, and improving data quality. Data and maps showing facility location are now accessible to the regulated community and the public via the Internet. In the process, Ecology has reduced duplicate records and now has a mechanism to do coordinated informational mailings. For example, a business can now report a change of address to one location in the agency rather than to each individual program. To date, Ecology has moved 19,000 facilities into the Facility/Site ID system and more are planned.
- **Consolidated Administrative Rules for Health Provider Licensees.** The **Department of Health** consolidated the administrative requirements for credentialing 43 health professions. The consolidation resulted in the repeal of 69 profession-specific rules, standardized license expiration notification, streamlined and simplified forms, and established consistent administrative procedures for providers who are licensed in multiple professions.
- **Implementing Call-in Unemployment Benefit Claims.** The **Department of Employment Security** successfully pursued legislation that will allow people to file their initial claims for unemployment benefits by telephone. This efficient use of technology will result in improved customer service and more efficient use of staff time.

- **Training Staff to Write Rules in Plain English.** The **Department of Social and Health Services** put 300 agency managers and staff through clear rule writing training.
- **On-Line Rule Comment Form and Internet Web Site.** The **Department of Ecology** developed an on-line rule comment form to solicit public comment during agency rule making. It also maintains a Laws and Rules Internet Web Site, which makes available electronically all RCW sections, WAC chapters, and rule pre-proposals, proposals, and adoptions. These electronic information and feedback mechanisms provide continual information to citizens affected by Ecology's regulatory actions.
- **Simplified Budget Reporting and Elimination of Unnecessary Reports.** The **Office of Financial Management** simplified and reduced by 80 percent the reporting requirements for state agency budget submittals. The agency also successfully pursued legislation that eliminated 236 obsolete and unnecessary reports to the legislature.
- **Simplified, Easy-to-Read Machine Guarding Rules.** The **Department of Labor and Industries** has made significant progress in clear rule writing. For example, the agency's new machine guarding rule is in an easy-to-read question and answer format, and requires employers to protect workers from hazards, instead of dictating specific methods of guarding machinery. The new rule reads: **"What are the additional requirements for shafting? (1) An employer must secure shafting against excessive endwise movement."** The more complicated old rule on shafting read: "(1) Installation. (a) Each continuous line of shafting shall be secured in position against excessive endwise movement. (b) Inclines and vertical shafts, particularly inclined idler shafts, shall be securely held in position against endwise thrust."
- **Improved and Coordinated Department of Agriculture Processes.** The Department revised its methods of grading and sampling hops during harvest, and coordinated them with the Hop Commissions of Oregon, Idaho, and Washington, hop industry groups, and the U.S. Department of Agriculture. The effort resulted in up to 30 percent estimated cost efficiencies in the grading process and faster sampling times at industry locations. The department also computerized its nursery inspection report, eliminating redundant forms and providing better information to clients.
- **Simplified State Travel Regulations.** The **Office of Financial Management** simplified and consolidated state travel regulations into the state financial and administrative policy manual. An executive order with conflicting requirements will be rescinded.
- **Elimination of Outdated and Unnecessary Executive Orders.** The **Office of the Governor**, while not a rule-making agency, complied with the executive order by reviewing all existing executive orders. Some of the orders were adopted as far back as the Evans Administration, but were still in effect. As a result of the review, 75 outdated, unnecessary, and conflicting executive orders were rescinded in their entirety, representing nearly a 50 percent reduction.

- **Streamlined Insurance Verification Process Takes Ecology out of the Loop.** To receive delivery of petroleum, tank owners are required to obtain and display a Facility Compliance Tag. Previously, owners submitted the required proof of coverage to **Department of Licensing** (DOL) who forwarded insurance documents to the **Department of Ecology**. Ecology would then send the documents to the **Pollution Liability Insurance Agency** (PLIA) for verification of acceptable coverage. The DOL staff has now been trained to review annual business licenses for tank information and proof of liability insurance, eliminating Ecology's involvement. Now, 95 percent of licenses are verified by DOL; PLIA reviews the other 5 percent.

Results of Regulatory Review
As of October 15, 1998
(Cumulative Totals)

Executive Cabinet	Plan Submitted	Progress Report Submitted	WAC Sections Repealed	WAC Sections Amended	WAC Sections Reviewed	WAC Pages Eliminated
Department of Agriculture	Yes	Yes	250	53	488	46
Dept. of Comm.Trade, and Econ Dev.	Yes	Yes	57	5	62	6
Department of Corrections	Yes	Yes	47	0	76	10
Department of Ecology	Yes	Yes	79	150	386	37
Department of Employment Security	Yes	Yes	23	13	101	3
Department of Financial Institutions	Yes	Yes	121	11	200	29.5
Department of Fish and Wildlife	Yes	Yes	24	156	185	6
Dept. of General Administration	Yes	Yes	19	5	27	7.25
Department of Health	Yes	Yes	253	144	773	52
Department of Information Services	Yes	Yes	0	0	0	0
Department of Labor and Industries	Yes	Yes	723	828	2101	235
Department of Licensing	Yes	Yes	133	156	566	14.7
Department of Personnel	Yes	Yes	17	175	344	10
Department of Retirement Systems	Yes	Yes	31	1	94	3
Department of Revenue	Yes	Yes	57	137	213	5
Dept. of Social & Health Services	Yes	Yes	859	219	1608	240
Department of Transportation	Yes	Yes	27	64	231	4
Department of Veterans' Affairs	Yes	Yes	0	0	13	0
Health Care Authority	Yes	Yes	19	30	69	4
Liquor Control Board	Yes	Yes	1	8	59	n/r
Military Department	Yes	Yes	3	23	249	4
Office of Financial Management	Yes	Yes	81	0	148	17.5
State Parks & Recreation	Yes	Yes	27	31	94	4
Utilities & Transportation Comm.	Yes	Yes	50	20	111	12
Washington State Lottery	Yes	Yes	232	5	240	137
Washington State Patrol	Yes	Yes	109	43	357	12
TOTAL			3,242	2,277	8,795	898.95

Small Agency Cabinet	Plan Submitted	Progress Report Submitted	WAC Sections Repealed	WAC Sections Amended	WAC Sections Reviewed	WAC Pages Eliminated
Board of Accountancy	Yes	Yes	2	9	12	.5
Board of Tax Appeals	Yes	Yes	n/r	n/r	n/r	n/r
Comm. on African-American Affairs	Waived	Waived	n/a	n/a	n/a	n/a
Comm. on Asian-American Affairs	Waived	Waived	n/a	n/a	n/a	n/a
Commission on Hispanic Affairs	Waived	Waived	n/a	n/a	n/a	n/a
Department of Printing	Waived	Waived	n/a	n/a	n/a	n/a
Department of Services for the Blind	Yes	Yes	0	9	77	0
Environmental Hearings Office	Yes	Yes	0	6	0	0
Growth Management Hearings Office	Yes	Yes	5	23	94	1
Human Rights Commission	Yes	Yes	0	0	0	0
Indeterminate Sentence Review Board	Waived	Waived	n/a	n/a	n/a	n/a
Interagency Comm. for Outdoor Rec.	Yes	Yes	2	27	27	2
Office of Administrative Hearings	Yes	Yes	0	0	27	0

Small Agency Cabinet (cont.)	Plan Submitted	Progress Report Submitted	WAC Sections Repealed	WAC Sections Amended	WAC Sections Reviewed	WAC Pages Eliminated
Office of Indian Affairs	Waived	Waived	n/a	n/a	n/a	n/a
Office of Minority & Women Business	Yes	Yes	n/r	n/r	n/r	n/r
Personnel Appeals Board	Yes	No	0	0	0	0
Pollution Liability Insurance Program	Yes	Yes	10	0	55	3
Public Disclosure Commission	Yes	Yes	2	6	40	.5
Puget Sd Water Quality Action Team	Waived	Waived	n/a	n/a	n/a	n/a
State Conservation Commission	No	Yes	0	0	0	0
State School for the Blind	Yes	Yes	0	0	0	0
State School for the Deaf	Yes	Yes	0	0	0	0
Traffic Safety Commission	Yes	Yes	n/a	n/a	n/a	n/a
Washington State Arts Commission	Waived	Waived	n/a	n/a	n/a	n/a
Workforce Train. & Ed Coord. Board	Yes	Yes	7	23	30	7
TOTAL			28	103	362	14

Non-Cabinet Agencies	Plan Submitted	Progress Report Submitted	WAC Sections Repealed	WAC Sections Amended	WAC Sections Reviewed	WAC Pages Eliminated
Attorney General	Yes	Yes	1	9	47	1
Board of Industrial Insurance Appeals	Yes	Yes	0	7	7	0
Central Washington University	Yes	No	n/r	n/r	n/r	n/r
Comm. & Tech. College System Bd.	Yes	Yes	32	67	163	7
Comm. Economic Revitalization Bd.	Yes	No	n/r	n/r	n/r	n/r
County Road Administration Board	Yes	Yes	52	61	216	3
Criminal Justice Training Commission	Yes	Yes	0	0	0	0
Department of Natural Resources	Yes	Yes	n/r	37	53	n/r
Energy Facility Site Eval. Council	Yes	Yes	0	13	20	0
Higher Education Coordinating Board	Yes	Yes	100	4	0	30
Office of the Insurance Commissioner	Yes	Yes	45	53	785	5
Public Employment Relations Comm.	Yes	Yes	3	55	71	0
Public Works Board	Yes	Yes	0	0	0	0
Sentencing Guidelines Commission	Yes	Yes	20	0	0	0
State Board of Health	Yes	No	27	0	0	3
State Building Code Council	Yes	No	n/r	n/r	n/r	n/r
State Convention & Trade Center	Yes	Yes	n/a	n/a	n/a	n/a
State Investment Board	No	No	0	0	0	0
University of Washington	Yes	Yes	59	59	132	9
Washington State Historical Society	Yes	Waived	n/a	n/a	n/a	n/a
Washington State University	Yes	Yes	5	1	0	1
Western Washington University	Yes	No	n/r	n/r	n/r	n/r
TOTAL			344	366	1,494	59